

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent Jerry Rindone was a successful candidate for a seat on the Chula Vista City Council during the 2000 primary election. Respondent Jerry Rindone for City Council (the “Committee”) was the controlled committee of Respondent Rindone. Respondent Sandra Hodge was the treasurer for Respondent Committee.

On a pre-election campaign statement filed on February 23, 2000, for the reporting period January 23, 2000 through February 19, 2000, Respondents reported receiving contributions totaling \$26,078.74, and making expenditures totaling \$11,981.86. On that campaign statement, Respondents disclosed that they received six contributions of \$250.

For the purposes of this stipulation, Respondents’ violation of the Political Reform Act (the “Act”)<sup>1</sup> is stated as follows:

**COUNT 1:** On or about January 24, 2000, Respondents Jerry Rindone, Jerry Rindone for City Council, and Sandra Hodge, received six cash contributions of \$250, totaling \$1,500, in violation of section 84300, subdivision (a) of the Government Code.

### **SUMMARY OF THE LAW**

An express purpose of the Act, as stated in section 81002, subdivision (a), is to ensure that contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed and improper practices may be inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish these purposes of disclosure.

#### **Prohibition Against Cash Contributions**

Section 84300, subdivision (a) states that no contribution of \$100 or more shall be received in cash. Section 84300, subdivision (c) requires that all contributions of \$100 or more be in the form of a written instrument containing the name of the contributor and drawn from the account of the contributor.

#### **Liability of Committee Treasurers**

---

<sup>1</sup> The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

Under sections 81004, subdivision (b), section 84100, and regulation 18427, subdivision (c), it is the duty of a committee's treasurer to ensure that the committee complies with all of the requirements of the Act concerning the receipt and expenditure of funds, and the reporting of such funds. A committee's treasurer may be held jointly and severally liable, along with the committee, for any reporting violations committed by the committee. (Sections 83116.5 and 91006.)

### **SUMMARY OF THE FACTS**

Respondent Jerry Rindone was a successful candidate for a seat on the Chula Vista City Council during the 2000 primary election. Respondent Jerry Rindone for City Council was controlled by Respondent Rindone. Respondent Sandra Hodge was the treasurer for Respondent Committee.

The FPPC's Enforcement Division conducted a proactive investigation of Respondent Committee's campaign activity for the March 7, 2000 primary election. During the reporting period January 23, 2000 through February 19, 2000, Respondent Committee disclosed receiving contributions totaling \$26,078.74, and making expenditures totaling \$11,981.86, on a pre-election campaign statement filed on February 23, 2000. The investigation found that in a single transaction Respondents received six prohibited cash contributions of \$100 or more. However, under section 84300, subdivision (a), Respondents were prohibited from receiving any campaign contributions of \$100 or more in the form of cash.

The prohibited cash contributions that Respondents received are set forth in the chart below:

<b>Contributor</b>	<b>Date Received</b>	<b>Amount</b>
Maria Valencia	1/24/2000	\$ 250.00
Jose R. Toledo	1/24/2000	\$ 250.00
Maria Elena Toledo	1/24/2000	\$ 250.00
Anabell Perez	1/24/2000	\$ 250.00
Guadalupe Esevbedo	1/24/2000	\$ 250.00
Teresa Bonilla	1/24/2000	\$ 250.00
Total		\$1,500.00

By receiving six cash contributions of \$100 or more, Respondents violated section 84300, subdivision (a).

When interviewed, Respondents Hodge and Rindone claimed that they were unaware of the prohibition against receiving cash contributions. They kept detailed records regarding the receipt of the contributions, and disclosed the contributions on a pre-election campaign statement filed on February 23, 2000.

### **CONCLUSION**

This matter consists of one count, which carries a maximum administrative penalty of Two Thousand Dollars (\$2,000).

The receipt of cash contributions has historically been considered a very serious violation, as it can prevent tracking of the true source of campaign contributions. However, Respondents appear to have committed this violation out of ignorance of the prohibition against accepting cash contributions, and mitigated the harm by keeping records of the transaction and disclosing the contributions on their pre-election campaign statement.

The facts of this case justify imposition of the agreed upon administrative penalty of One Thousand Eight Hundred Dollars (\$1,800).